REMARKS/ARGUMENTS

By this paper, Applicant replies to the Office Action of December 14, 2010 and respectfully requests reconsideration of the application. Claims **1-5, 7-23,** and **34-36** are pending in this application. All claims stand rejected. This paper has not amended or canceled the claims, or added new claims.

The following claims are under consideration:

- Independent claims **1** and **16**.

- Dependent claims **2-5, 7-15, 17-23,** and **34-36**.

I.   Paragraph 4 of the Action: § 101

Paragraph 4 of the Action raises no rejection of claim **1** but rather, alludes to an amendment to use the word "system." Because the Action gives no reasons for rejecting any claim, let alone any reasons bearing any relationship to the instructions for examination under § 101 subject matter given by the PTO,[1] and does not follow the outline for § 101 analysis set forth in MPEP § 2106 or the PTO's most recent memorandum on the topic, it is not clear what issue the Action intends to raise.

Claim **1** recites a combination that includes "a plurality of workstations" and "a server." Each of these is clearly a "machine" and article of "manufacture," and a combination of them is likewise at least a "machine" and article of "manufacture," two of the categories of § 101. The Action fails to consider the language of the claim, and makes no contrary showing. By these two failures, the Action fails to raise any rejection whatsoever.

If any further rejection is raised, Applicant requests that the Examiner identify a particular document that carries force of law, and that states any rule that the Examiner feels may apply. The statement in the Action that "the Office recognizes 'system' as a synonym for the statutory term 'machine'" may or may not be true, but it is certainly not Office policy that "system" is the only magic word that satisfies § 101.

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[1] MPEP § 2106; Andrew H. Hirsfeld, Interim Examination Instructions For Evaluating Subject Matter Eligibility Under 35 U.S.C. § 101, http://www.uspto.gov/web/offices/pac/dapp/opla/2009-08-25_interim_101_instructions.pdf (24 August 2009).

II.   Paragraph 6 of the Action: § 112 ¶ 2 and § 101

Paragraph 6 of the Action implies a new rule of patent law by combining unrelated provisions of § 112 ¶ 2 and § 101, opining that a claim is "statutory" under § 112 ¶ 2 only if it "clearly indicate[s] to which of the four statutory classes it belongs." The Action is wrong. § 101 is satisfied if a claim "falls within at least one of the four enumerated categories."[2] § 112 ¶ 2 is satisfied if a claim is reasonably definite as to scope. The two requirements are separate; they do not hybridize as proposed in the Action.

Again, if any further rejection is raised, Applicant requests that the Examiner identify a specific document, issued with force of law, stating the rule that the Examiner seeks to apply.

III.   Paragraph 7 of the Action: § 112 ¶ 2

Paragraph 7 of the Action rejects all pending claims, but refers only to independent claim **1**. Applicant will proceed under the assumption that only claim **1**, and the claims depending there from, stand rejected. If the Examiner also intended to reject independent claim **16**, and the claims depending there from, the Examiner is requested to clarify the rejection.

Paragraph 7 of the Action fails to raise a valid rejection of claim **1**. First, the claim provides its own lexicographical definition for a "protocol of trade sequences" ("wherein said protocol is directed to execute trade commands from said participants in a predefined way corresponding to a plurality of trade states defining the ability of various participants to participate in trading activity."). As the Action itself notes, if the application itself provides a definition, then resort to external dictionaries is not permitted. Resort to the Google dictionary was an incorrect analytical step.

Second, the only relevant test under § 112 ¶ 2 is whether the claim "define[s] the patentable subject matter with a <u>reasonable</u> degree of particularity and distinctness."[3] The Action itself states that the Examiner had no difficulty determining a "broadest reasonable interpretation." The claim is therefore not indefinite.

Finally, MPEP § 2173.02 instructs:

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[2] *In re Iwahashi*, 888 F.2d 1370, 1375, 12 USPQ2d 1908, 1911 (Fed. Cir. 1989) (The claimed subject matter is a statutory "machine" or "manufacture" because the claim is to "apparatus with specific structural limitations" and the claim "defines apparatus in the form of a combination of interrelated means"); MPEP § 2106(IV)(B).

[3] MPEP § 2173.02, emphasis in original.

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Some latitude in the manner of expression and the aptness of terms should be permitted even though the claim language is not as precise as the examiner might desire. Examiners are encouraged to suggest claim language to applicants to improve the clarity or precision of the language used, but *should not reject claims or insist on their own preferences* if other modes of expression selected by applicants satisfy the statutory requirement.

IV.   Paragraphs 12-14 of the Action: The Action errs by disregarding limiting language

In rejecting independent claim **1**, the Action proposes to disregard certain claim language. The Action fails to properly consider the claim and as such, improperly disregards noted claim language. Because the Action fails to consider all claim language vis-à-vis the cited references, the Action fails to raise a valid rejection of claim **1**.

For example, the Action proposes to disregard the claim phrase (as considered in context): "*a server ... programmed to support* a predetermined *trading control logic ...* compris[ing] a protocol ... directed to ...*" The server is programmed to achieve certain functions. Programming of a computer is a structural change: "such programming creates a new machine because a general purpose computer in effect becomes a special purpose computer once it is programmed to perform particular functions pursuant to instructions from programmed software."[4] The noted claim phrase is a structural limitation and disregarding this language is examiner error.

The Action also proposes to disregard the claim phrase (as considered in context): the "trading control logic, in response to ..., automatically enables the aggressor participant" to take certain actions. As similarly discussed above, the noted claim phrase is a structural limitation and disregarding this language is examiner error.

In sum, because the Action fails to consider all claim language vis-à-vis the cited references, the Action fails to raise a valid rejection of claim **1**.

V.   Paragraphs 18-19 of the Action: The Action errs by making conclusory assertions

In rejecting claim **16**, the Action proposes that certain claim language is inherent in or obvious over the cited references. The Action is in error.

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[4] *In re Alappat*, 33 F.3d 1526, 1545, 31 USPQ2d 1545, 1558 (Fed. Cir. 1994), quoting *In re Freeman*, 573 F.2d 1237, 1247 n. 11, 197 USPQ 464, 472 n. 11 (CCPA 1978).

Regarding inherency, the Action errs in that the Action fails to provide any "basis in fact and/or technical reasoning to reasonably support a determination that the allegedly inherent characteristic <u>necessarily</u> flows from" the cited references.[5] Rather, the Action merely makes conclusory assertions as to what may be allegedly possible in view of the references. Similarly, regarding obviousness, the Action fails to provide any reasoning, let alone reasoning supported by factual findings, for modifying the references in the manner proposed by the Action. Rather, the Action merely puts forth conclusory assertions. However, rejections on obviousness grounds cannot be sustained by such assertions.

In sum, because the Action fails to show that all claim limitations are disclosed and/or suggested by the cited references, the Action fails to raise a valid rejection of claim **16**.

VI.   <u>Dependent claims</u>

The Action fails to raise a valid rejection of the dependent claims for at least the same reasons discussed above for independent claims **1** and **16**.

VII.   <u>Authorization for email communications</u>

Recognizing that Internet communications are not secure, Applicant hereby authorizes the USPTO to communicate with any authorized representative concerning any subject matter of this application by electronic mail. Applicant understands that a copy of these communications will be made of record in the application file.

VIII.   <u>General Authorization for all fees during the pendency of this application</u>

For the entire pendency of this application, please charge all fees to deposit account 50-3938.

IX.   <u>Conclusion</u>

In view of these remarks, Applicant respectfully submits that the claims are in condition for allowance. Applicant requests that the application be passed to issue in due course. The Examiner is urged to telephone Applicant's undersigned representative at the number noted

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[5] MPEP § 2112, emphasis in original.

below if it will advance the prosecution of this application, or with any suggestion to resolve any

condition that would impede allowance.

Respectfully submitted,

/Glen R. Farbanish/

June 14, 2010
Date

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